

BEAUREGARD PARISH LIBRARY

DeRidder, Louisiana

Financial Report

Year Ended December 31, 2014

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	4
Statement of Activities	5
FUND FINANCIAL STATEMENTS (FFS)	
Balance Sheet - Governmental Fund	7
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	8
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	10
Notes to Basic Financial Statements	11
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule: General Fund	22
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	24
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26
Schedule of Findings and Questioned Costs and Management's Corrective Action Plan	28
Summary Schedule of Prior Year Findings	29



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546
768 Parish Line Road • DeRidder, Louisiana 70634

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Control
Beauregard Parish Library
DeRidder, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major fund of the Beauregard Parish Library, (the Library) a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Beauregard Parish Library, as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Beauregard Parish Library has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information. My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head is presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Beauregard Parish Library.

The supplemental schedule is the responsibility of management and were derived and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated May 26, 2015, on my consideration of the Beauregard Parish Library's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beauregard Parish Library's internal control over financial reporting and compliance.



DeRidder, Louisiana
May 26, 2015

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Statement of Net Position
December 31, 2014

	<u>Governmental Activities</u>
 ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 2,814,157
Ad valorem taxes receivable	1,802,570
State revenue sharing receivable	<u>35,064</u>
Total current assets	4,651,791
Noncurrent assets:	
Capital assets, net	<u>1,097,626</u>
Total assets	<u>5,749,417</u>
 LIABILITIES	
Current liabilities:	
Accounts and other payables	47,235
Noncurrent liabilities:	
Compensated absences	<u>24,684</u>
Total liabilities	<u>71,919</u>
 NET POSITION	
Net investment in capital assets	1,097,626
Unrestricted	<u>4,579,872</u>
Total net position	<u><u>\$ 5,677,498</u></u>

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Statement of Activities
For the Year Ended December 31, 2014

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Culture and recreation	<u>\$ 1,583,703</u>	<u>\$ 24,486</u>	<u>\$ 21,875</u>	<u>\$ -</u>	(1,537,342)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					1,803,563
State revenue sharing					86,745
Investment earnings					4,871
Miscellaneous					<u>11,839</u>
Total general revenues					<u>1,907,018</u>
Change in net position					369,676
Net position - beginning of year					<u>5,307,822</u>
Net position - end of year					<u>\$ 5,677,498</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Balance Sheet - Governmental Fund
December 31, 2014

	General Fund
<hr/>	
ASSETS	
Cash and interest-bearing deposits	\$ 2,814,157
Ad valorem taxes receivable	1,802,570
State revenue sharing receivable	<u>35,064</u>
Total assets	<u><u>\$ 4,651,791</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 28,265
Accrued liabilities	<u>18,970</u>
Total liabilities	<u>47,235</u>
Deferred inflows of resources:	
Unavailable revenue - delinquent ad valorem taxes	32,327
Unavailable revenue - state revenue sharing	<u>35,064</u>
Total deferred inflows of resources	<u>67,391</u>
Fund balance:	
Committed	100,935
Unassigned	<u>4,436,230</u>
Total fund balance	<u>4,537,165</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 4,651,791</u></u>

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY

DeRidder, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2014

Total fund balance for the governmental fund at year end	\$ 4,537,165
----------------------------------------------------------	--------------

Total net position reported for governmental activities in the Statement of Net
Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,097,626
------------------------------------------------------------------------------------------------------------------------------	-----------

Some of the Library's ad valorem taxes will be collected after year- end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources at the fund level.	67,391
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

Long-term liabilities are not due and payable in the current period and
therefore are not reported in the funds:

Compensated absences payable	<u>(24,684)</u>
------------------------------	-----------------

Total net position of governmental activities at year end.	<u>\$ 5,677,498</u>
------------------------------------------------------------	---------------------

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Fund
For the Year Ended December 31, 2014

	General Fund
Revenues:	
Taxes - ad valorem	\$ 1,803,173
Intergovernmental	73,556
Charges for services	24,486
Investment earnings	4,871
Miscellaneous	11,839
Total revenues	<u>1,917,925</u>
Expenditures:	
Current:	
Culture and recreation:	
Salaries and benefits	999,069
Professional services	62,011
Occupancy	58,857
Office	46,033
Travel and training	24,482
Program expenses	120,258
Total culture and recreation	<u>1,310,710</u>
Capital outlay	293,069
Total expenditures	<u>1,603,779</u>
Excess of revenues over expenditures	314,146
Fund balance, beginning	<u>4,223,019</u>
Fund balance, ending	<u><u>\$ 4,537,165</u></u>

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
December 31, 2014

statement of revenues, expenditures and changes in fund balance	\$ 314,146
-----------------------------------------------------------------	------------

The change in net position reported for governmental activities in the statement of activities is different because:

Capital outlay costs which are considered as expenditures on statement of revenues, expenditures and changes in fund balance	293,069	
Depreciation expense	<u>(248,309)</u>	44,760

Some of the Library's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources at the fund level.	35,454
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

The excess of compensated absences earned over compensated absences used is reported in the statement of activities, however, only compensated absences used is reported in the general fund.	<u>(24,684)</u>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------

\$ 369,676

The accompanying notes are an integral part of the basic financial statements.

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Notes to Basic Financial Statements
For the Year Ended December 31, 2014

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Beauregard Parish Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, *Audits of State and Local Governments*, issued by the American Institute of Certified Public Accountants and the *Louisiana Governmental Audit Guide*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Beauregard Parish Library is a component unit of the Beauregard Parish Police Jury and was created under Louisiana Revised Statute 25:211. The Library operates under a Board of Control. Although the Parish does not provide financing, it does exercise some control over operations by virtue of the fact that it appoints the Board of Control. The purpose of the Library is to provide library facilities to residents within its boundaries.

This report includes the funds, which are controlled by or dependent on the Library executive and legislative branches (the Board of Control). Control by or dependence on the Library was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibilities.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

1. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Library maintains one fund, the General Fund, which is categorized as a governmental fund. The General Fund is the general operating fund of the Library. It is used to account for all financial resources.

D. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the “current financial resources” measurement focus is utilized. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. Their funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Library.

Investments

Under State law, the Library may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Library may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Library maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and improvements	20-40 years
Furniture, fixtures and equipment	3-10 years
Library collections	3-5 years

Compensated Absences

Each full time employee and part-time employee that works a minimum of 20 hours per week is eligible to earn vacation and sick leave. Employees earn ten to thirty vacation days per year depending upon the number of years of service and number of hours worked. All eligible employees are allowed twelve sick days per year. Vacation leave cannot be accumulated past the employee's anniversary date each year. Sick leave can be accumulated for use; however, employees who resign, retire or are dismissed from employment shall not be paid for any accrued sick leave.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, a government is required to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At December 31, 2014, the Library had deferred inflows of resources totaling \$67,391 which represented unavailable delinquent ad valorem tax revenue and state revenue sharing. There were no deferred outflows of resources as of December 31, 2014.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board of Control. The Board of Control is the highest level of decision-making authority for the Beauregard Parish Library.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Board of Control.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Library considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Library considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the Library has provided otherwise in its commitment or assignment actions.

As of December 31, 2014, fund balance is composed of the following:

	General Fund
Committed	\$ 100,935
Unassigned	<u>4,436,230</u>
Total fund balance	<u>\$ 4,537,165</u>

Committed fund balance represents the unspent amounts of bequests from patrons intended to be used for specific purposes as determined by the Board of Control.

F. Revenues, Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character.

G. Budgetary Practices

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Library's Director prepares a proposed budget and presents it to the Board of Control prior to ninety days before the beginning of each fiscal year.
2. After the proposed budget is presented to the Board of Control, the Board publishes the proposed budget and notifies the public that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held by the Board on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Board of Control.
5. No later than the last regular meeting of the fiscal year, the Board of Control adopts the annual operating budget for the ensuing fiscal year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budget appropriations lapse at year-end.

H. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Bad Debts

Uncollectible amounts due for ad valorem taxes and other revenues are recognized as bad debts at the time information becomes available which would indicate uncollectibility of the receivable. Although the specific charge - off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at December 31, 2014.

(2) Cash and Interest-Bearing Deposits

Under state law, the Library may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Library may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2014, the Library has cash and interest-bearing deposits (book balances) totaling \$2,814,157, as follows:

Interest-bearing accounts	\$2,234,881
Certificate of deposit	<u>579,276</u>
Total	<u><u>\$2,814,157</u></u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Library's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the securities are in the name of the fiscal agent bank, the custodial bank's system indicates that the securities are pledged to the Library. As such, deposits that are collateralized by these pledged securities and not considered subject to custodial credit risk according to GASB Statement No. 3.

Deposit balances (bank balances) at December 31, 2014, are secured as follows:

Bank balances	<u><u>\$2,816,129</u></u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>2,316,129</u>
Total federal deposit insurance and pledged securities	<u><u>\$2,816,129</u></u>

Because all deposits were either covered by federal deposit insurance or pledged securities, all deposits of the Library are considered fully collateralized. The Library does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2014, is as follows:

	Balance 01/01/14	Additions	Deletions	Balance 12/31/2014
Capital assets not being depreciated:				
Land	\$ 128,500	\$ -	\$ -	\$ 128,500
Other capital assets:				
Buildings and improvements	1,750,897	-	-	1,750,897
Furniture and equipment	728,410	133,935	-	862,345
Library collection	1,192,089	159,134	(226,112)	1,125,111
Total	<u>3,671,396</u>	<u>293,069</u>	<u>(226,112)</u>	<u>3,738,353</u>
Less accumulated depreciation:				
Building	1,168,280	88,339	-	1,256,619
Furniture and equipment	646,619	59,545	-	706,164
Library collection	932,131	100,425	(226,112)	806,444
Total	<u>2,747,030</u>	<u>248,309</u>	<u>(226,112)</u>	<u>2,769,227</u>
Net capital assets	<u>\$ 1,052,866</u>	<u>\$ 44,760</u>	<u>\$ -</u>	<u>\$ 1,097,626</u>

Depreciation expense of \$248,309 was charged to the culture and recreation function.

(4) Accounts and Other Payables

The accounts and other payables consisted of the following at December 31, 2014:

Accounts	\$ 28,265
Salaries and employee benefits payable	<u>18,970</u>
Total	<u>\$ 47,235</u>

(5) Unavailable Revenues

Unavailable revenues are reported in governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At December 31, 2014, governmental funds' revenues that have been earned but are unavailable totaled \$67,391 which was comprised of delinquent ad valorem taxes and unavailable state revenue sharing.

(6) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. Tax revenues are recognized in the year they are billed.

The taxes are based on assessed values determined by the Tax Assessor of Beauregard Parish and are collected by the Sheriff. The taxes are remitted to the Beauregard Parish Library net of deductions for Pension Fund Contributions.

For the year ended December 31, 2014, taxes of 7.44 mills were levied on property with net assessed valuations totaling approximately \$242 million and were dedicated to paying the administrative, operations and maintenance expenditures for the Library. Total taxes levied during 2014 were \$1,803,501.

(7) Retirement Commitments

The Beauregard Parish Library participates in the Parochial Employees Retirement System of Louisiana, which is a cost-sharing, multiple-employer defined benefit public employee retirement system.

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898.

For the year ended December 31, 2014, plan members are required to contribute 9.5 percent of their annual covered salary and the Library is required to contribute at the statutory rate of 16.0 percent of the annual covered payroll. The Library's contributions to the system for the years ended December 31, 2014, 2013, and 2012 were \$83,044, \$81,695, and \$73,469, respectively, equal to the required contribution for each year.

(8) Board of Control

Non-commissioned members of the Beauregard Parish Library Board of Control at December 31, 2014, are as follows:

Angela Lannen	Tranquil Crosby
Merle Stout	Janet Pître
Elizabeth Brasseaux	Patricia Andrews
Jo Blankenship	Molly Poe
Gary Crowe	

Board members serve with no compensation.

(9) Risk Management

The Library is exposed to risks of loss in areas of general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(10) Litigation

There was no litigation pending against the Beauregard Parish Library at December 31, 2014.

(11) Subsequent Event Review

The Beauregard Parish Library's management has evaluated subsequent events through May 26, 2015, the date which the financial statements were available to be issued.

(12) New Accounting Pronouncements

During the fiscal year ended December 31, 2014, the Beauregard Parish Library adopted Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. .

In June 2012, the GASB approved Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 68 must be implemented by the Library for the year ending December 31, 2015. The effect of the implementation of this statement on the Library's financial statements has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana
General Fund

Budgetary Comparison Schedule
December 31, 2014

	Budget			Variance - Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes - ad valorem	\$ 1,764,040	\$ 1,764,040	\$ 1,803,173	\$ 39,133
Intergovernmental	35,000	35,000	73,556	38,556
Charges for services	18,000	18,000	24,486	6,486
Miscellaneous -				
Interest	1,000	1,000	4,871	3,871
Other sources	750	750	11,839	11,089
Total revenues	<u>1,818,790</u>	<u>1,818,790</u>	<u>1,917,925</u>	<u>99,135</u>
Expenditures:				
Current -				
Culture and recreation:				
Salaries and benefits	953,349	922,739	999,069	(76,330)
Professional services	106,489	60,758	62,011	(1,253)
Occupancy	93,048	56,120	58,857	(2,737)
Office	86,065	46,220	46,033	187
Travel and training	35,077	24,566	24,482	84
Program expenses	<u>110,324</u>	<u>107,600</u>	<u>120,258</u>	<u>(12,658)</u>
Total culture and recreation	<u>1,384,352</u>	<u>1,218,003</u>	<u>1,310,710</u>	<u>(92,707)</u>
Capital outlay	<u>303,412</u>	<u>298,690</u>	<u>293,069</u>	<u>5,621</u>
Total expenditures	<u>1,687,764</u>	<u>1,516,693</u>	<u>1,603,779</u>	<u>(87,086)</u>
Excess of revenues over expenditures	131,026	302,097	314,146	12,049
Fund balance, beginning	<u>4,223,019</u>	<u>4,223,019</u>	<u>4,223,019</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,354,045</u>	<u>\$ 4,525,116</u>	<u>\$ 4,537,165</u>	<u>\$ 12,049</u>

OTHER SUPPLEMENTAL INFORMATION

BEAUREGARD PARISH LIBRARY

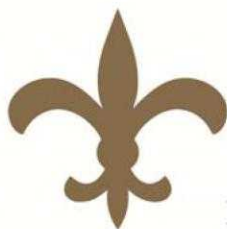
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer

Year Ended Dec. 31, 2014

Agency Head Name: Erin N. Chesnutt

Purpose	Amount
Salary	\$58,266
Benefits-insurance	9,816
Benefits-retirement	9,323
Benefits-other	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	708
Travel	68
Registration fees	708
Conference travel	1,088
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	30

**INTERNAL CONTROL, COMPLIANCE,
AND OTHER MATTERS**



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546
768 Parish Line Road • DeRidder, Louisiana 70634

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Control
Beauregard Parish Library
DeRidder, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Beauregard Parish Library (the Library), a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued my report thereon dated May 26, 2015.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, I do not express an opinion on the effectiveness of the Library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as Item No. 2014-01 that I consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as Item No. 2014-02.

Beauregard Parish Library's Response to Findings

The Library's response to the findings identified in my audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Library's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an internal part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
May 26, 2015

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Schedule of Findings and Questioned Costs
and Management's Corrective Action Plan
December 31, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/14) --						
<u>Internal Control:</u>						
2014-01	Unknown	The Library does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	N/A	The Library has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Erin Chesnutt, Director	N/A
<u>Compliance:</u>						
2014-02	2014	Actual expenditures exceeded budgeted expenditures by more than 5%. State law requires that budgets be amended when the budget-to-actual variance exceeds 5%.	Yes	Management concurs with the finding and will ensure next year that the Library is in compliance.	Erin Chesnutt, Director	12/31/2015

BEAUREGARD PARISH LIBRARY
DeRidder, Louisiana

Summary Schedule of Prior Year Findings
December 31, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Taken	Name of Contact Person
PRIOR YEAR (12/31/13) --					
<u>Internal Control:</u>					
2013-001	Unknown	The Library does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	See current year Finding No. 2014-01	Erin Chesnutt, Director
<u>Compliance:</u>					
2013-002	2013	State law requires that audit reports be completed and submitted six months after the fiscal year end. The Library's audit report was not completed and submitted prior to June 30, 2014.	Yes	No finding for current year.	Erin Chesnutt, Director